GOVERNMENT OF INDIA
AGRO AND RURAL INDUSTRIES
LOK SABHA

UNSTARRED QUESTION NO:2107
ANSWERED ON:29.07.2002
PRIVITISATION OF AGRO INDUSTRIES
T.T.V. DHINAKARAN

Will the Minister of AGRO AND RURAL INDUSTRIES be pleased to state:

(a) whether the boards and showrooms of Agro Industries are being privatised;

(b) if so, the details thereof and the reasons therefore; and

(c) the manner in which the Government propose to promote agro industries in the country?

Answer

THE MINISTER OF AGRO AND RURAL INDUSTRIES (SHRI KARIYA MUNDA)

(a) & (b): The Coir Board is the only Board under the Ministry of Agro and Rural Industries and is a statutory body. There is no proposal to privatize the Coir Board. The Expenditure Reforms Commission (ERC) have, however, recommended that the showrooms- cum-sales depots of Coir Board should progressively be handed over on agency or commission basis to trading houses with the exception of a few showrooms in metropolitan towns which may be retained for demonstration purposes. The Government is in agreement with the recommendations of the ERC.

(c): The Government through the Khadi and Village Industries Commission (KVIC) is already implementing the Rural Employment Generation Programme(REGP) throughout the country for the development of Khadi and Village Industries including agro and rural industries. Under this scheme, the KVIC provides margin money assistance at the rate of 25% of the project cost upto Rs. 10 lakhs and for the project above Rs. 10 lakhs and upto Rs. 25 lakhs, rate of margin money is 25% of Rs. 10 lakhs plus 10% on remaining cost of the project. In the case of SC/ST/ OBC/Women/ Physically Handicapped/Ex-Servicemen and Minority Community beneficiary institution and for hill border and tribal areas, North Eastern Region, Sikkim, Andaman & Nicobar Island, Lakshadweep, the margin money grant is 30% of the project cost upto Rs. 10 lakhs but above this amount and upto Rs. 25 lakhs it is 10% of the remaining cost of the project. Under this scheme, the beneficiary`s contribution is at least 10% of the project cost. In case of SC/ST and other weaker sections, beneficiary`s contribution is 5% of the project cost. This scheme is being implemented through Public Sector banks, Regional Rural Banks etc.

In order to further strengthen the KVI sector, a package was announced by the Government on 14.5.2001, which is under different phases of implementation. The package consists of Rebate Policy for five years, option of Rebate and Market Development Assistance (MDA), Insurance cover to Khadi artisans, emphasis on improvement of Khadi products, creation of packaging and design facilities, measures to promote marketing, brand building, cluster development etc.